

M e m o r a n d u m

To: Panel Members

Date: September 22, 2006

From: Creighton Chan, Manager

Analyst: D. Woodside

Subject: One-Step Agreement for **GOODWILL INDUSTRIES OF SANTA CLARA COUNTY (W2W)**

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Job Creation: Training Of Unemployed Workers
- Legislative Priorities: Displaced/Potentially Displaced Workers
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

CONTRACT:

- Program Costs: \$192,100
- Substantial Contribution: \$0
- Multiple Employer Support (12%) \$18,400
- Total ETP Funding: \$210,500
- Total In-kind Contribution: \$0
 - *Trainee Wages Paid During Training:* \$0
 - *Other Contributions:* \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Santa Clara
- Location of Training: 100% Center Based; 0% Employer Site

INTRODUCTION:

Since its inception in 1916, Goodwill Industries of Santa Clara County, located in San Jose, California, has served the surrounding community by providing a range of vocational, occupational and educational services. Goodwill Industries of Santa Clara County, Inc. is also known as Goodwill of Silicon Valley (Goodwill SV). In 1976, it created a separate division, the Institute of Career Development (ICD), to provide training and job placement services for the unemployed and under-employed in Santa Clara and San Benito counties. ICD is a fully licensed, private, post-secondary school specializing in providing vocational services that meet the current needs of employers. As a result, this agency is able to provide employment opportunities for persons with disabilities and other special needs, such as the economically disadvantaged. The center's facilities include a state-of-the-art computer laboratory with space for 132 students. In addition, Goodwill SV staff provide a full range of support services to ensure positive employment outcomes for program graduates.

Goodwill SV is eligible for funding as a training agency as defined in Unemployment Insurance Code Section 10205(c)(2) because its training programs are approved by the State of California Bureau for Private Postsecondary and Vocational Education (BPPVE) and it has a successful placement history. Contractor representatives report that during the past four years, the ICD has graduated three hundred and seven (307) persons in its business office, computer technician and accounting programs. Of those trainees, 61% secured employment in the fields in which they were trained and of those, 78% were retained on the job for at least 90 days.

This will be Goodwill SV's third project with the Panel and represents a pilot project to serve 50 current or former CalWORKS recipients who are unemployed. Such trainees are considered CalWORKS -New Hires. Currently, Goodwill SV is conducting a new-hire training program to serve unemployed UI recipients and exhaustees which will be in the sixth month of operations by the September Panel meeting. Because of several factors including (1) the additional ramp-up time needed to recruit and assess CalWORKS recipients, and (2) coordination with new partners such as the county social services offices, Goodwill SV is requesting funds for a separate 24 month Agreement to serve CalWORKS recipients exclusively.

MEETING ETP GOALS AND OBJECTIVES:

This W2W training would further the following ETP goals and objectives:

- 1) Provide occupation-specific training that meets employer demand for skilled workers; and
- 2) Train and place unemployed CalWORKS recipients in secure jobs with long-term career opportunities.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Hrs.	No. CBT Hrs.	Average Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Welfare to Work (W2W) New-Hire	MENU: Business Skills Computer Skills Commercial Skills	50	60 - 300	0	\$4,210	*\$9.00 - \$14.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Accounting Associate Administrative Office Specialist Customer Service Representative Medical Front Office Staff Logistics Technician						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> * Employer-paid health benefits (medical, dental, and/or vision) may be added to the trainee's base wage in order to meet the ETP minimum hourly wage of \$9.00 for this project.					<u>Turnover Rate</u> N/A	<u>% Of Mgrs & Supervisors To Be Trained:</u> 0%
<u>Other Employee Benefits:</u> Vary by participating employer.						

COMMENTS / ISSUES:

➤ ***Frontline Workers***

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee).

➤ ***Production During Training***

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

COMMENTS / ISSUES: (continued)

➤ ***Trainee Wage***

The trainees in this W2W program would be paid a minimum of \$9.00 after retention. This amount significantly exceeds the minimum of \$8.06 per hour, which is 25% below the standard minimum new-hire wage in Santa Clara County allowable for W2W programs.

➤ ***Incidental Placement***

Goodwill SV is requesting an increase of "incidental placement" from 20 percent to 25 percent for the total CalWORKS recipients. This would be stated in the ETP Agreement as follows:

"Contractor may place up to 25% of the total trainees placed and retained in employment under the contract with a public entity or nonprofit organization that has elected an alternate method of financing its liability for unemployment insurance compensation benefits."

Staff recommends the increase of the "incidental placement" to 25 percent to assist this hard-to-serve trainee population.

RECOMMENDATION:

Staff recommends that the Panel approve this Agreement because Goodwill SV plans to (1) train and place 50 unemployed welfare recipients in jobs with high employer demand in Santa Clara county; (2) coordinate services with the County of Santa Clara Social Service Agency and other community organizations; and (3) provide an array of support services to assist CalWORKS recipients be successful in the workplace.

NARRATIVE:

As a result of employer demand, Goodwill SV proposes to train and place unemployed CalWORKS recipients in five different occupational programs: accounting associate, administrative office specialist, customer service representative, medical front office personnel, and logistics technician.

Trainees will receive an average of 225 hours of classroom/laboratory instruction in business computer, and/or commercial skills to prepare them for jobs as either (1) accounting associates (including occupations such as bookkeepers, billing and collections specialists, and payroll specialists); (2) administrative office specialists (including occupations such as administrative support staff, record maintenance technicians, receptionists and data entry specialists), (3) customer service representatives; (4) medical front office staff (including occupations such as medical records technicians, health information technicians, medical billing technicians and medical transcriptionists; and (5) logistics technician (including occupations such as warehouse workers, material handlers, cargo and freight agents, expediting clerks, shipping and receiving clerks, and stock clerks.

Business Skills/Computer Skills

With employer input, the ICD will utilize five specialized curricula for this W2W pilot program. The accounting associates skills curricula includes training in computerized accounting systems, accounting principles, word processing for the accounting technician, business English and Math, computerized spreadsheets, internet, data entry, and office equipment

NARRATIVE: (continued)

customary to the accounting environment.

Trainees in the administrative office specialist program will learn computer operations and how to create Word documents in the business environment, spreadsheets, presentations using the latest software, and database management.

Medical front office trainees will learn about medical terminology, insurance forms and coding, computerized medical billing using Medisoft software; patient relations skills and medical office procedures.

Customer service representative trainees will learn professional business and communication skills, cash control and documenting procedures, commercial check handling, transaction processing, banking regulations and the essential elements of quality customer service.

Commercial Skills

The logistics technician training program will cover all aspects of warehouse and material handling including safe practices, hand-operated equipment, forklift operation, inventory, shipping and receiving stock, computer usage, and customer service.

These training programs were chosen for this W2W pilot program based on Goodwill SV's past history of placing program graduates. Goodwill SV reports that wage raises are associated with every occupation for successful trainee graduates: accounting clerks weighted average wage increases to \$22.07 after two years on the job; office administrative support clerks and medical office specialists weighted average wage increases to \$18.03 after two years on the job; customer service representatives weighted average wage increases to \$18.70 after two years on the job; and warehouse/material handler clerks weighted average wage increases to \$13.92 after two years on the job.

Goodwill SV will augment this training with 10,800 hours of additional student activity and classroom instruction, including screening, assessment, referral, and career counseling services, as well as training in communication skills, Internet research skills and job interview skills. This additional training will be provided by an in-kind contribution made by the proposed Contractor in the amount of \$162,000. The low teacher-student ratio (1:20) and the low student-counselor ratio (1:1) will ensure students will receive individual and personalized attention.

The specialized curricula for this program will meet the needs of a training population that faces challenges which keep them unemployed. Goodwill SV believes it can train CalWORKS recipients with the type of job skills and "life skills" needed to obtain and keep a secure job. Finally, because of its plan to collaborate with county personnel, Goodwill SV will work with each trainee to ensure that they are receiving additional services such as transportation or day care stipends that will help the trainee succeed.

Recruitment and Collaboration

Goodwill SV will work closely with the County of Santa Clara Social Service Agency for the referral of CalWORKS recipients. Discussions have been initiated, and the county program has informed that its proposed training curricula would be a "good fit" for the needs of CalWORKS recipients. Currently there are about 6,000 CalWORKS recipients in Santa Clara County, all of whom are required to participate in vocational skills training.

NARRATIVE: (continued)

Santa Clara County is a current authorized provider of these services by the County of Santa Clara.

In addition to the partnership with the County Social Service Agency, Goodwill SV will perform outreach to individuals that are eligible for assistance but are not yet enrolled in the CalWORKS programs. This will be accomplished by the distribution of flyers to agencies that serve this population as well as individual outreach with a presence at the four One-Stop Centers in Santa Clara County.

Goodwill SV representatives state that they have a strong, marketing and recruitment program, including: in-house staff presentations, Employment Development Department liaison, local newspaper and circular advertising, and outreach to local employers and other community organizations. In addition, targeted fliers will be distributed to inform CalWORKS recipients and their advocates of this training opportunity.

Goodwill SV is confident that these recruiting efforts will be effective in allowing the agency the opportunity to implement this W2W training program over the next 24 months.

Employer Demand

Goodwill SV has established relationships with large, medium and small businesses throughout the Silicon Valley. For instance, the ICD Business Development Specialist actively works with each participating employer to determine specific job requirements and job needs so that trainees will be prepared upon completion for the open positions waiting to be filled. Goodwill SV representatives believe that this customized approach - with direct input from the employers – will lead to successful placement and retention.

Goodwill SV stays informed about employer needs through its Employer Advisory Council (EAC), which is composed of Silicon Valley employers as well as government and other non-profit representatives. The EAC meets quarterly and works with ICD staff to assess local business needs, working environments, current computer technologies, quality control practices, and other industry requirements to identify specific job skills needed by the business community. The skills identified are then incorporated into each curricula.

SUBCONTRACTORS:

None

THIRD PARTY SERVICES:

None

ACTIVE PROJECTS:

The following are current project statistics:

ACTIVE PROJECTS						
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET06-0254	\$236,804	04/17/06 – 04/16/08	53	11	2	0

Goodwill representatives report that one of the program completers has been placed and the other is currently interviewing. An additional seven persons started training in August and their enrollments are pending.

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET03-0232	San Jose	01/06/03-01/05/05	\$143,640	\$110,124	\$473,380	\$ 154,173

Goodwill Industries of Santa Clara County

MENU CURRICULUM

BUSINESS/COMPUTER SKILLS

Class/Lab Hours
60-300

ACCOUNTING ASSOCIATE

1. Accounting Office Skills and Equipment: Learn and practice filing systems, mailing, and use of office equipment customary to the accounting environment.
2. Computer Skills: Instruction and hands-on practice on computer basic skills and software commonly practiced in the accounting profession: Windows XP, Internet, Microsoft Outlook, Microsoft Word and Microsoft Excel.
3. Business Math: Trainees learn and practice math calculations and operations necessary to obtain employment in the accounting profession. Attain increased speed and accuracy to perform math operations of accounting and bookkeeping.
4. Business English: Learn, practice and use the technical vocabulary of accounting/bookkeeping including spelling, grammar, sentence structure and form for business correspondence.
5. Word Processing/Data Entry in the Accounting Environment: Attain increased speed and accuracy in advanced keyboarding and document formatting.
6. Principles of Accounting: Learn and apply basic principles and procedures of accounting including payroll systems. Hands-on practice through simulations requiring manual record keeping of different business transactions and payroll taxes calculation.
7. Computerized Accounting Systems: Trainees learn to use accounting software, Peachtree and QuickBooks, to perform different accounting functions including record keeping, scheduling payments, producing payroll checks, and calculating taxes.

Goodwill Industries of Santa Clara County

MENU CURRICULUM (continued)

BUSINESS/COMPUTER SKILLS

Class/Lab Hours
60-300

ADMINISTRATIVE OFFICE SPECIALIST

1. Operating System: Identify and configure the features of computer operating systems. Demonstrate proficiency using drop down menus, toolbars, and commands to customize and maintain operating systems and office assistant as well as other desktop icon features.
2. Word Processing: Develop word processing skills such as key-boarding, proofreading, and editing. Demonstrate proficiency creating, saving, printing, editing, formatting, and enhancing word processing documents including personal and business letters, reports, manuals, newsletters, brochures, for the business office environment.
3. Spreadsheets: learn how spreadsheets help manipulate, calculate, analyze, and present numerical data in columns and rows. Demonstrate proficiency in formatting, maintaining, and enhancing worksheets; moving data between workbooks, using formulas, and creating charts and graphs; importing and exporting data between applications.
4. Presentations; Create, save, print, edit, format, and enhance slide presentations. Demonstrate proficiency using application features such as word art, organizational charts, and link and embed objects between applications.
5. Database: Learn how a database manages, sorts, retrieves and compares information. Create database fields by organizing, editing, sorting, extracting data using a database program; link data to spreadsheets and word processing documents.

Goodwill Industries of Santa Clara County

MENU CURRICULUM (continued)

BUSINESS/COMPUTER SKILLS

Class/Lab Hours
60-300

MEDICAL FRONT OFFICE STAFF

1. Medical Terminology: Introduction to Medical Terminology, The Human Body in Health and Disease, The Skeletal System, The Muscular System, The Cardiovascular System, The Lymphatic and Immune Systems, The Respiratory System, The Digestive System, The Urinary System, The Nervous System, The Eyes and Ears, The Endocrine System, The Reproductive System, Diagnostic Procedures & Pharmacology. Students will learn: to identify the roles of the three types of word parts in forming medical terms; analyze unfamiliar medical terms; define commonly used prefixes, word roots and suffixes; define and pronounce medical terms correctly; recognize the importance of spelling medical terms correctly.
2. Insurance forms and Coding: Introduction to Diagnostic Coding: ICD-(-M); E-Codes; V-Codes, Late Effect Codes & Hypertension table; CPT Codes; Completing the HCFA-1500, Medicare Coverage; Medicaid; Worker's Compensation; CHAMPUS & CHAMPVA; Other Insurance Coverage; Managed Care. Students will learn to identify other job titles and define their roles; and explain the steps necessary to gather information about new patients seen at the hospital by the medical office's physicians.
3. Computerized Medical Billing using Medisoft: Introduction to Patient Billing, Using the Computer for Patient Billing, Managing Data with a Computerized System, Entering Patient and Code Information, Processing Transactions, Producing Reports and Patient Statements, Processing Claims, Office Hours.
4. Patient Relations Skills (Office Etiquette): Students will learn to gather patient information to complete insurance forms for reimbursement, and understand the importance of patient confidentiality.
5. Medical Office Practice Simulation and Transcription: Family Care center (A Patient Billing Simulation).

Goodwill Industries of Santa Clara County

MENU CURRICULUM (continued)

COMMERCIAL SKILLS

Class/Lab Hours
60-300

CUSTOMER SERVICE REPRESENTATIVE

1. Business Skills: Develop and learn communication styles, learn to handle difficult situations, conflict management, interpersonal skills, and planning.
2. Cash Handling: Learn and practice work station set-up, cash control, introduction to banking regulations, audit guideline procedures, learn and practice vault cash transactions, counting and documenting cash, handling and processing mutilated and unfit currency, learn and practice procedures for Federal Reserve Bank, procedures for receiving and paying out cash, learn and practice counterfeit and fraud detection, detecting con artist and cash scams, large currency transaction reporting, money laundering red flags.
3. Check handling: what is a check, uniform commercial code requirements for negotiability and acceptability, bank requirements for negotiability, types of endorsements, how to check for valid identifications, guidelines for cashing and depositing checks, identifying types of checks, identifying check fraud, about identity theft, what are levies and attachments, security issues, understanding electronic transfers.
4. Transaction Processing/Inquiries: Learn and practice usage of off-line teller system, learn and practice deposit/cashing check procedures, learn how cash is bought and sold daily, learn and practice multiple transactions, check batching, error corrections, handling other transactions, end of day balancing; learn and practice online teller system, computer operation, processing transactions online, buying and selling cash, learn and practice making corrections, miscellaneous terminal options, end of day balancing, and teller terminal maintenance.
5. Banking regulations: Bank Secrecy Act, types of reportable transactions, learn and understand suspicious types of activity, Community Reinvestment Act, Regulations, learn and understand disclosure responsibilities, Regulations E, FDIC (Federal Deposit Insurance Corporation), the United States Patriot Act, Teller robbery procedures, various audit compliances.
6. Customer service Skills: Learn and practice quality customer service techniques, understanding your customers needs, protecting your customer's privacy, learn and practice the essential elements of customer service.

Goodwill Industries of Santa Clara County

MENU CURRICULUM (continued)

COMMERCIAL SKILLS

Class/Lab Hours
60-300

LOGISTICS TECHNICIAN

1. Orientation and Safety: workplace safety; pedestrian safety; dock safety items; replacement batteries; chargers; sizing recommendations for most efficient operation; legislation, fines and penalties; responsibilities of owner, employer, supervisors and workers; options available to an employee who is asked to perform unsafe work or an unsafe act; group discussion on experiences of actual incidents or close calls; consequences of unsafe practices: economic, legal, moral, ethical, social and psychological.
2. Hand-Operated Equipment: manually load or unload materials onto or off pallets, skids, platforms, cars, or lifting devices.
3. Forklift Operation: using levers and controls to operate forklift to load, unload, transport, and stack material; truck types; pre-shift inspection; data plates; load centers, the stability triangle, effects of mast tilt; load stability ramp operation; picking/placing loads; operation at loading docks in trailers and railcars; pedestrian safety concerns; refueling/recharging.
4. Inventory: shipping procedures and receiving stock; different methods (FedEx, USPS, UPS, etc.); using the computer (Introduction to Computers and Windows XP); company assets/loss prevention.
5. Customer Service: Telephone Etiquette, Teamwork, Appearance/Appropriate Attire.

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
--